

**UNITED STATES BANKRUPTCY COURT  
MIDDLE DISTRICT OF FLORIDA  
JACKSONVILLE DIVISION**

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In re: : Case No. 3:16-bk-02230-PMG  
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RMS TITANIC, INC., *et al.*,<sup>1</sup> : Chapter 11 (Jointly Administered)  
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Debtors. :  
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**DECLARATION OF ARLAN ETTINGER IN  
SUPPORT OF EQUITY COMMITTEE'S APPLICATION FOR AN ORDER  
PURSUANT TO 11 U.S.C. §§ 327(a) AND 328(a) AUTHORIZING  
THE RETENTION OF GUERNSEY'S AS AUCTIONEER**

I, Arlan Ettinger, hereby declare as follows,

1. I am the President of Guernsey's auction house. I, along with Barbara Mintz – now my wife – founded Guernsey's, a Division of Barlan Enterprises, Ltd., in 1975. I am familiar with the matters set forth herein and make this Declaration in support of the Equity Committee's Application to Employ Guernsey's as the auction house to sell a certain set of artifacts recovered from the wreck site of the RMS Titanic that are commonly known as the French Artifacts, described more fully below. If called upon to testify I could and would testify as set forth herein.

2. Guernsey's is widely considered one of the world's leading auction houses for having consistently produced world-record-setting auction events, often of the most interesting

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<sup>1</sup> The Debtors in the chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number include: RMS Titanic, Inc. (3162); Premier Exhibitions, Inc. (4922); Premier Exhibitions Management, LLC (3101); Arts and Exhibitions International, LLC (3101); Premier Exhibitions International, LLC (5075); Premier Exhibitions NYC, Inc. (9246); Premier Merchandising, LLC (3867); and Dinosaurs Unearthed Corp. (7309). The Debtors' service address is 3045 Kingston Court, Suite I, Peachtree Corners, Georgia 30071.

types – historic objects, collectibles, antiques, and art. Many credit this firm for having pioneered the practice of working with the media – in the United States and around the world – to spread word of an upcoming auction event to a global audience. Guernsey's has been privileged to represent many prominent museums, and in virtually every direction our auctions have taken us, we have produced results far higher than all competitors.

3. The smallest sampling of Guernsey's events would include having conducted the world's largest auction (the contents of the ocean liner SS United States), the landmark Cold War auction of artwork from the Soviet Union, and the definitive auctions focused on such iconic individuals as John F. Kennedy, Franklin Roosevelt, Princess Diana, Elvis Presley, Duke Ellington, and many others. Within recent times, this auction house concluded a multi-part auction series devoted to a historic, Holocaust-related collection of several thousand rare posters, and sold the complete Archive of Rosa Parks, which is now a permanent part of the United States Library of Congress.

4. In March 2018, the Equity Committee approached Guernsey's to obtain a proposal to conduct the auction of approximately 2,358 artifacts held by Premier Expeditions, Inc. ("Premier"), a Chapter 11 Debtor in the above-captioned bankruptcy case. These artifacts were recovered from the wreck site of the RMS Titanic during expeditions in 1987. The artifacts were landed in France and are commonly referred to as the "French Artifacts." Prior to being approached by the Equity Committee for a sale of the French Artifacts, Guernsey's was already familiar with the Titanic Artifacts. In 2012, Premier consigned its entire body of Titanic Artifacts to Guernsey's for what was to have been a one-lot auction. Among the steps this auction house took to spread word of the coming event to a global audience was a press

conference conducted on board the USS Intrepid, where more than a hundred members of the media were present. While preparing for the 2012 auction I had the opportunity to personally inspect many of the Titanic Artifacts placed with Guernsey's for that auction.

5. Despite receiving substantial offers for the entire collection, our efforts did not produce the amount that Premier insisted upon as the reserve, or required minimum bid, of just under \$200 million. Additionally, the consignment included all of Premier's Titanic Artifact collection, including objects referred to as the American Artifacts, which were governed by Covenants and Conditions which, among other things, required that the buyer forever keep that collection intact, forever make it available for the public, to have an ongoing restoration program, and forever safeguard (from poaching) the Titanic underwater wreck site. These requirements certainly impacted buyers' willingness to meet Premier's financial objective.

6. While promoting the sale of the Titanic Collection in its entirety, Guernsey's fielded many inquiries from individuals, institutions, and corporations that were interested in acquiring singular or small numbers of Titanic artifacts. Obviously, at that time, those requests could not be accommodated because Premier insisted that the Artifacts be sold as a whole collection.

7. In response to their inquiry, I told the Equity Committee that we would market the consigned items from the French Collection to a global audience. Since there is not a place in the world where the Titanic's fame has not reached, our objective – one we are convinced is quite achievable – would be to make sure that news coverage of the coming Titanic Auction reaches virtually every conceivable buyer, no matter where he or she may be. Of course, our message now would be significantly different than what was being promoted in 2012, when it was only

the Collection in its entirety that could be had. This time, in addition to iconic artifacts such as the Cherub from the main dining room and the ship's Bell, a person of average means can participate with the hope of acquiring even just a single object from the legendary Titanic. And the fact that some items may appear less than visually stunning (such as a bent coin, damaged paper currency, or chipped dinner plate) does not matter, as these objects will still be highly sought after and treasured, as genuine remnants from one of the most fabled incidents in human history.

8. Auction prices are generated from competitive bidding and it is our belief that record numbers of bidders will participate in the Titanic Auction. Modern online auction technology will facilitate potential bidders' participation in this event worldwide. This could easily result in hundreds, if not thousands, of bidders going after even the seemingly least significant items in the French Collection. With this volume of competition, it is not far-fetched to imagine that even the least valuable item might achieve significant results.

9. By definition, an auction is an unpredictable event. No one knows, with any degree of certainty, what will result from a given auction, whether it is a collection of paintings by Picasso or the Victorian contents from a house on Main Street. Still, if there was ever a body of material that will excite collectors, historians, and the general public, it has to be the actual artifacts recovered from the storied Titanic.

10. We have made a preliminary analysis of the level which we feel each of the 2,358 artifacts would fall into. Using that analysis, we have come up with an estimated value for the collection. It should be understood that estimates are just that, and, particularly when dealing with auctions where lots are often unique unto themselves, there is no science to an estimate.

We can look at what other auctions have generated and apply those results, but there are always differences and variables and so our estimates should be taken only as a prediction, based on our past experience, and not as a guarantee. We are well aware that some categories of items, such as paper currency and coins, exist in great quantity. And generally, when there are many items of a similar nature offered in a single event, the amount each item brings dips. On the other hand, that is what happens in a typical situation. The Titanic Auction will be anything but typical. Although there are hundreds of items that are fairly similar to each other, we expect that there will be an unprecedented audience of people who would treasure anything that was retrieved from the Titanic. And hence, even the lowest-level items can be expected to bring amounts that fit into our level A evaluation.

11. By transferring the estimated value of each of the artifacts into an auction offering, the tendency is to put an estimated range next to each auction lot. To be clear, if an item has an estimated value of \$6,000, that might show up in an auction description as having an estimated worth of \$5,000-7,000. As a rule, many auctioneers would opt to underestimate the worth of an object so as not to discourage bidders. In any case, it would be premature at this point to concern ourselves with individual auction item estimates. Suffice it to say, an auction strategy can and will be discussed when the actual auction preparations begin. Theoretically, if the estimated value of the individual artifacts as we prepared applies, and a low and high auction estimate is attached to each item, the total of these figures—reflecting the fact that all auction estimates are listed as a range, from low to high—might well be \$50 million to \$70 million. (Our early estimates of course were based on the approximately 2,358 artifacts in the French Collection. Should fewer items be consigned, this would naturally have bearing on this estimate.)

The above amount is of course an estimate only, and as indicated, has been generated using auction results which we feel would be comparable (as can be seen below in Paragraph 12). However, many of the Titanic lots are unique and as such, there is no direct comparison available. For instance, certain marquee items like the Cherub are capable of fetching truly extraordinary amounts, but as there is no track history, we look to other items, in other auctions, to reach our estimate. My experience tells me there is no doubt a possibility of a buyer paying an extraordinary amount for an item as iconic as the Cherub from the Titanic, which is just one of the many French Artifacts.

12. Comparable results achieved at auction (including lots sold by Guernsey's):

ITEM	PRICE REALIZED	AUCTION DATE
Cracker from a lifeboat survival kit	\$23,000	Oct, 2015
Key on brass fob	\$28,000	Sept, 2016
Key to lifejacket locker	\$119,000	Oct, 2016
Key to binocular cabinet	\$137,000	April, 2010
½" x ¼" fragment of wood from a door on the Titanic	\$13,000	April, 2012
Menu	\$88,500	June, 2004
Dinner menu	\$64,000	July, 2012
Lunch menu	\$88,000	Sept, 2015
Lunch menu	\$118,000	Nov, 2015
Lunch menu	\$140,000	April, 2018
A letter	\$186,000	April, 2012
A violin	\$1.7 million	Oct, 2013
A coin	\$21,000	April, 2012
Sextant used on Carpathia to navigate to wreckage of Titanic	\$92,000	April, 2016
Fur coat worn by a stewardess who escaped Titanic	\$250,000	April, 2017
Gold collar stud	\$15,000	April, 2012
Pocket watch	\$181,000	April, 2008

A silver dollar certificate (paper currency)	\$44,000	April, 2012
Lifeboat plaque	\$44,500	June, 2004
Book of Titanic postcards	\$16,000	April, 2017
Unique photo of the Titanic	\$21,000	April, 2017

12a. Non-Titanic related items that have achieved significant results at auction, due to their connection to a significant person, place, or event (the majority of these items sold by Guernsey's):

ITEM	PRICE REALIZED	AUCTION DATE
Rock-era guitar	\$3.5 million	May, 2017
Battered wooden Chelsea Hotel door	\$125,000	April, 2018
A baseball	\$3 million	Dec, 2003
Dilapidated Kennedy family boat	\$6 million	March, 1998
Jacqueline Kennedy's costume jewelry necklace	\$211,000	April, 1996
Paul Newman wristwatch	\$17.8 million	Oct, 2017
Leonardo da Vinci 25" x 18" painting	\$450 million	Nov, 2017

13. As indicated, based upon these estimates, the collection could in theory fetch as much as \$50 million to \$70 million, or more. However, when comparing the results of other auctions (as cited in the examples provided in Paragraph 12), there are clearly a great many variables which would make it impossible to predict with any certainty that similar items would perform in the same fashion. But based upon my years of experience in the sale by auction of rare and historic items in general, I believe these artifacts are certainly capable of this range.

14. In that timing is always a factor to be considered, it is my recommendation that were there to be a Titanic Auction, it should be conducted in the near future. Today, virtually every adult around the world is well-aware of the compelling Titanic saga. In the years ahead,

this may not be the case. Accordingly, the time to maximize the financial potential of this absolutely extraordinary body of material is now. Guernsey's is ready, willing, and able to produce this event and would be honored to do so.

15. Neither Guernsey's nor I represent any interest adverse to the Debtors, their creditors, the known equity security holders, the known parties in interest, or the Estate more generally, and we are "disinterested persons" as required by 11 U.S.C. § 327(a) and as defined by 11 U.S.C. § 101(14).

16. Guernsey's has no doubt worked with other professionals and persons involved in these cases in other unrelated matters.

17. To the best of my knowledge, except as set forth herein, (a) Guernsey's has no connections with the Debtors, creditors, any other party in interest, or their respective attorneys and financial advisors, and (b) Guernsey's professionals working on this matter are not relatives of the United States Trustee of the Middle District of Florida or of any known employee in the office thereof, or any United States Bankruptcy Judge for the Middle District of Florida as required by Fed. R. Bank. P. 2014.

18. Based on the foregoing, Guernsey's does not represent any entity having an adverse interest in connection with these cases, and does not hold or represent an interest adverse to the estate with respect to the matters on which Guernsey's will be employed in accordance with Section 327(a) of the Bankruptcy Code.

19. Guernsey's has agreed to be compensated and reimbursed as fully set forth in the Engagement Letter attached hereto as Exhibit A.

20. No promises have been received by Guernsey's, nor any member, or associate thereof, as to the compensation in connection with this case other than in accordance with the provisions of the Bankruptcy Code and the attached Engagement Agreement.

I declare under penalty of perjury that the foregoing is true and that I have executed this declaration on May 31, 2018, in New York City, New York



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Arlan Ettinger

S. S. UNITED STATES  
PRESIDENT JOHN F. KENNEDY  
MICKEY MANTLE • THE McGWIRE BASEBALL  
JAZZ • ARTWORK OF THE SOVIET UNION  
THE FRANKLIN ROOSEVELT ARCHIVE  
ELVIS PRESLEY • JERRY GARCIA  
THE ROSA PARKS ARCHIVE

65 EAST 93RD STREET  
NEW YORK, NY 10128

PH: 212.794.2280  
FAX: 212.744.3638

AUCTIONS@GUERNSEYS.COM  
WWW.GUERNSEYS.COM

# GUERNSEY'S

AUCTIONEERS & BROKERS SINCE 1975

May 31, 2018

Mr. Peter Gurfein  
Landau Gottfried & Berger LLP  
1801 Century Park East  
Suite 700  
Los Angeles, California 90067

RE: The 1987 French Expedition Artifacts Recovered from the RMS Titanic

Dear Mr. Gurfein:

Thank you for the considering Guernsey's to be the firm to conduct the auction of artifacts recovered from the RMS Titanic by the 1987 French Expedition.

This letter is to confirm that Guernsey's is committed to devoting its full energy and complete attention to producing an auction that will honor the memory of the fabled Titanic while maximizing the financial potential of these historic artifacts. We are prepared to work for a reduced seller's commission of 9% (nine percent) which Guernsey's would retain from the proceeds of the sale of the artifacts.

Specific details regarding timing, location, manner in which the auction would be conducted, and other aspects of the event, will be mutually agreed upon and subject to the approval of the Bankruptcy Court.

Please know that we are truly honored to be considered for this most important assignment and thank you for this opportunity.

Sincerely,



Arlan Ettinger  
President